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Attorney for Petitioners

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

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Case No. 09-44979 (ESS)

In Re:

LESSNO, LLC,

Alleged Debtor.

**AFFIRMATION OF
JOSEPH SANCHEZ, ESQ.
IN REPLY TO MOTION TO
APPOINT TRUSTEE**

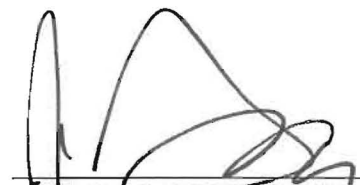
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STATE OF NEW YORK }
 } ss.
COUNTY OF QUEENS }

JOSEPH SANCHEZ, ESQ., being duly sworn, deposes and says:

1. I am the attorney for the Movants herein, and am thus fully familiar with the facts and circumstances set forth herein.
2. This Affirmation is submitted in Reply to Movants motion for the appointment of an interim (emergency) trustee.
3. Based on a review of the limited discovery provided by the Alleged Debtor during the mediation, we found that the company was effectively out of cash, there were no ongoing revenue-generating activities, the balance sheet showed that its liabilities exceed its assets. Subsequent to the mediation, the Movants learned from former employees that Lessno has laid off all its remaining employees. The company is and has been functionally bankrupt.

4. The Movants' review of the documents also showed a number of wire transfers from and to Neveq and other Neveq-controlled entities.
5. There is thus a pressing need for a trustee to assume control and ascertain the full extent of the self-dealing transactions and the inconsistencies in the staffing and payroll that the bank statements indicate.
6. For example, an affidavit dated March 15, 2010 was filed with this court by Petar Nedyalkov in his capacity of CEO of Lessno LLC. In it, he states that he is employed by Lessno LLC. However, the Movants did not find any payments from any Lessno account to Mr. Nedyalkov.
7. It is submitted that Mr. Nedyalkov was employed by Neveq as of June 2009.
8. Likewise, the Movants contend that based on information from current and former Lessno employees, Lessno is co-located on the same premises as another Neveq-owned company in Sofia, Bulgaria, a company called "Vayant", and formerly known as EZ Search.
9. It is submitted that there are a number of employees who were transferred from Lessno to Vayant.
10. I am unable to provide documentary evidence of these facts to the Court because the Alleged Debtor has withheld production of the requisite documents.
11. The timing of these money transfers and nature of the functions performed by the Alleged Debtor's employees is relevant to this case because it could establish that employees were improperly paid by Lessno, while in fact working for a different company.
12. These are the types of issues that an interim Trustee would be able to investigate to determine the extent of assets that were improperly dissipated and could be recovered in order to satisfy the petitioners' claims – as there is apparently nothing left of the company.



JOSEPH SANCHEZ, ESQ.

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

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Case No. 09-44979 (ESS)

In Re:

**CERTIFICATE OF
SERVICE**

LESSNO, LLC,

Alleged Debtor.

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I HEREBY CERTIFY that a true and correct copy of the foregoing Motion For Appointment Of Interim Chapter 7 Trustee has been furnished by the Court's CM/ECF System to the following on the 17th day of June, 2010:

MICHAEL CONNOLLY, ESQ.

Alleged Debtor's counsel

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THE HONORABLE ELIZABETH S. STONG


United States Bankruptcy Court

Eastern District of New York

271 Cadman Plaza East

Brooklyn, New York 11201

By:


JOSEPH SANCHEZ, ESQ.